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11. Embassy Islamabad submits the following draft text for inclusion in the 2006 Country Reports on Terrorism:

Few countries play as central a role as Pakistan in the long war on terrorism and few have experienced as much suffering at the hands of terrorists. Credible reports estimate that as many as 900 Pakistanis lost their lives in 2006 in more than 650 terror attacks, with another 1500 people seriously injured. Pakistan has experienced attacks emanating from international terror networks such as al Qaida and its supporters, as well as violence stemming from Sunni-Shia sectarian strife and from militant nationalists. Attacks occurred with greatest frequency in the regions bordering Afghanistan: Balochistan, North West Frontier Province (NWFP) and the adjacent Federally Administered Tribal Areas.

Al Qaida reiterated calls for the overthrow of President Musharraf, remaining a threat to Pakistan and the international community despite the Government's efforts to eliminate al Qaida elements. The Government continues to pursue al Qaida and its allies aggressively through nationwide police action and military operations in the Federally Administered Tribal Areas (FATA). Pakistan maintains approximately 80,000 troops, including Army and Frontier Corps (FC) units, along the rugged border with Afghanistan. Pakistan Army and FC units have targeted and raided al Qaida and other militant safe havens in the FATA. In November, a suicide bomber killed 43 Army recruits and injured more than 40 others at a military training facility in Dargai, NWFP. Operations throughout the year against al Qaida and Taliban command and control capabilities helped to disrupt support for the anti-Coalition insurgency in Afghanistan and anti-militant activity in Pakistan. In early 2006, recognizing that military operations alone would not restore security and stability to the FATA, President Musharraf directed governmental agencies to devise a comprehensive strategy to accelerate economic and social development, strengthen political administration and enhance security in the region. By year's end, the FATA Sustainable Development Plan was undergoing a final review before its presentation to the Pakistani public and international community.

Pakistani security services cooperate closely with the United States and other nations to eliminate terrorism both within Pakistan and abroad. The hundreds of suspected al Qaida operatives killed or captured by Pakistani authorities since September 2001 testify to Pakistan's commitment and determination. Close cooperation between Pakistani, British and American law enforcement agencies exposed the August 2006 London-Heathrow bomb plot, leading to the arrest in Pakistan of Rashid Rauf and other conspirators believed to be

connected to the case. Pakistani authorities arrested two suspects in the March 2006 bombing of the U.S. Consulate in Karachi, which killed American diplomat David Foy and two others and injured more than 50 by-standers.

Pakistan's leaders have taken steps to prevent support to the Kashmiri militancy and forcefully denounced acts of terrorism in India, including bombings in Varanasi in March and Mumbai in July. Meeting in September on the margins of the Non-Aligned Movement Summit in Havana, President Musharraf and Indian Prime Minister Manmohan Singh agreed to establish an Anti-Terrorism Mechanism to coordinate bilateral exchange of information on terrorist threats.

Armed conflict between the national government and militant Baloch nationalists escalated, culminating in the August 26th death of Nawab Akbar Khan Bugti during a raid by security forces on his mountain hideout. The shadowy "Balochistan Liberation Army" (BLA) claimed responsibility for dozens of terror attacks on government offices and economic infrastructure in the province, as well as in neighboring Sindh and Punjab. The Government declared the BLA a terrorist organization in April. In addition to violence related to the militant Baloch nationalists, a series of bomb attacks in the provincial capital of Quetta followed robust police actions against suspected Taliban fighters in the last quarter of the year.

Sectarian violence - a scourge in Pakistan for more than two decades - claimed hundreds of lives, although the total number of sectarian terror attacks continued to decline for the second year in a row. A suicide bomber killed 29 and injured 50 people participating in a February 9 Shia religious procession in Hangu, NWFP. On April 11, at least

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57 people were killed in a bombing of a gathering of Sunni (Barelvi) religious leaders in Nishtar Park, Karachi. Although media reports blamed intra-Sunni sectarian rivalry, the results of the Government's investigation have not been made public.

President Musharraf has remained a forceful advocate for his vision of "enlightened moderation," calling on Pakistanis to reject extremism and terrorist violence. The Government's crackdown on banned organizations, hate material and incitement by religious leaders continued in fits and starts. Madrassa registration, foreign student enrollment in madrassas and financial disclosure requirements remain matters under negotiation between Government and religious leaders.

Although Pakistan continues to work with the UN 1267 Committee to freeze the assets of individuals and groups identified as terrorist entities linked to al Qaida and the Taliban, several UN-sanctioned entities continued to operate openly in 2006, engaging in public fundraising through television and newspaper solicitations. An anti-money laundering bill introduced into the National Assembly in September 2005 remains under consideration. Adoption of anti-money laundering legislation consistent with international standards will significantly broaden Pakistan's ability to cooperate internationally on counterterrorism finance issues. With respect to preventing unregulated cross-border cash flows -- a potential source of terrorism funding -- Pakistani customs officials continue to enhance controls to interdict bulk cash couriers at key ports of entry.

Pakistan's courts, including the Anti-Terrorism Court (ATC) , presided over several high-profile terror-related cases. Prosecuting terrorism case presents considerable challenges for the government, which obtained convictions in some cases but suffered reversals in others. On May 22, the Rawalpindi ATC sentenced four men to death and ordered life imprisonment for three others for their part in a July 2004 plan to

assassinate Prime Minister Shaukat Aziz. On May 30, a Multan ATC judge sentenced Lashkar-e-Jhangvi activist Qari Omar Hayat to death on sixteen counts of murder for a 1999 attack on a Shia prayer gathering. On November 23, the Sindh High Court reversed the convictions of nine Harkat-ul Mujahideen members for killing three during the May 2004 bombing of the honorary Macedonian Consulate in Karachi.

The U.S. and Pakistan engage in a broad spectrum of counterterrorism cooperative efforts in border security and criminal investigations, as well as several long-term training projects. A Joint Working Group on Counterterrorism and Law Enforcement, established in 2002, convened in Washington, DC in April 2006 to assess ongoing joint efforts and discuss enhanced cooperation.

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